

July 21, 2022

The Honorable Martin Glenn,
Re: Celsius Network LLC, et al. ("Celsius"), Case Number 22-10964

Dear Chief Judge Glenn,

I am writing like many others to express my concerns regarding the Celsius bankruptcy and misleading statements made to retail users by the Celsius executive team.

The majority of Celsius users are unsophisticated retail investors who relied upon statements made by the company and their executive team for relevant information in lieu of published financials or mandatory disclosures. Each week, Celsius hosted a weekly AMA in which company officers would speak about the positive health of the company - which was demonstrably false due to the gross mismatch between assets and liabilities discovered through this hearing. The Celsius team knew the state of their financials and willfully hid it with the intention of attracting new investment, up until the very week that they stopped withdrawals.

I request that the predatory terms of service be thrown out and invalidated. Not only are they unconscionable, they were contradicted every week by Celsius CEO Alex Mashinsky via the AMAs. I have attached three links as proof of this: one is a short montage of Alex's false and misleading statements to account holders, one is their final blog post before the pause, and the other is a compilation of the AMAs. Celsius marketed themselves as similar to a bank, while in truth operating as a hedge fund, and knowingly exposed unsophisticated users to high-risk investments and tactics without their knowledge, while hiding their financial difficulties. Any terms of service should be invalidated due to fraudulent executive team statements.

<https://twitter.com/cryptohunter0x/status/1549849069497065474>

<https://medium.com/celsius-network-weekly-amas/archive>

<https://blog.celsius.network/damn-the-torpedoes-full-speed-ahead-4123847832af>

Customer assets – whether part of Custody or Earn program should not be included as part of the Company estate.

If the terms and conditions are not invalidated, I request that non-accredited customers who were grandfathered into the Earn program be treated the same as those in Custody accounts (with title to assets). As of April 15th 2022, an email was sent from Celsius stating that while the Earn program was now exclusively for the use of accredited investors, non-accredited investors were grandfathered into the program with the caveat that they keep their funds in Earn. As the company was already insolvent, I believe that this was done to entice retail investors from withdrawing funds, which would have exposed the financial state of the Company.

I would also like to suggest that the 120-day exclusivity period be thrown out, and all recovery plans be presented immediately. It is against the interest of the depositors to wait for a plan to be put together by the current management team in light of all of the misleading statements made to account holders, and gross mismanagement of funds. Due to the lack of trust by the community, it is not feasible for this business to continue and recover under its current form and team.

As a personal plea, in which I am echoed by numerous depositors. I am a retail investor with a good portion of my life savings on the platform. I put my crypto assets as well as a good portion of my bank savings in Celsius relying on the fraudulent assertions of the Celsius executive management team, who attested repeatedly that our interest payments were based on over-collateralized loans with delta neutral risk. I also recommended this platform to friends, who are now also in the same situation.

Due to the false and misleading statements made to unsophisticated retail investors, I would like to request priority payment to non-accredited investors in the claims process via in-kind payments – aka BTC in, BTC out – not USD based on value the day of filing.

Thank you for your time and consideration.

Rabeca Madsen